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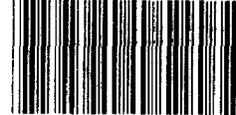
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SEPTEMBER 30, 1981

B-204490

RELEASED

The Honorable Dale Bumpers
United States Senate



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Dear Senator Bumpers:

Subject: Travel Policies and Practices of Department of Energy Grantees (FPCD-81-76)

On August 1, 1980, you asked us to review the fiscal year 1980 travel activities, particularly trips to annual conventions, of Department of Energy (DOE) grantees. A representative of your office later asked that we also include in the review trips grantees made to Washington, D.C.

To obtain information on grantee travel, we examined (1) the extent to which selected grantees were taking trips to conventions and conferences, including those in Washington, D.C., during fiscal year 1980, (2) the policies and procedures governing DOE grantee travel, (3) the extent of control and review of travel expenditures, and (4) how travel costs were being reported to DOE.

DOE made 9,987 grants valued at \$649,013,000 during fiscal year 1980. We selected 10 grantees for review. These included educational institutions, governmental entities, private companies, and quasi-governmental organizations. The sample was geographically dispersed and included grants of relatively high-dollar value (i.e., \$50,000 or more) and grantees with multiple grants. The 10 grantees had 45 grants and spent about \$17 million during fiscal year 1980.

At DOE headquarters and at the offices of 10 selected grantees, we reviewed applicable Federal and non-Federal travel policies, grant files, travel authorizations and vouchers, and audit reports and interviewed knowledgeable

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officials. As your office requested, we did not take the additional time necessary to obtain agency comments on this report.

COSTS AND REASONS FOR TRIPS

The 10 grantees made 1,194 trips costing \$170,974, or about 1 percent of their grant funds spent during fiscal year 1980. Grantees' travel costs ranged from \$331 to \$46,512, and the number of trips ranged from 1 to 471.

Most of the trips were generally associated with routine grant activities and included visits to gather and analyze data; trips to laboratories to conduct experiments; and meetings to review grant progress, conduct training, or provide technical assistance on energy matters.

Ten trips costing \$4,329 were made to attend conventions and symposiums. Five of these trips were made by State employees to energy-related conventions concerning solar power and hazardous waste; four trips were made by representatives of educational institutions to such functions as meetings of the American Chemical Society and the American Physics Society; and one trip was made by an employee of a private company to attend the Seventh Energy Technology Exposition.

Of the 1,194 trips the grantees took, we categorized 184 trips costing \$64,565 as trips made to attend conferences. For example, these included annual meetings, such as the 1980 Bio-Energy Conference, and trips to confer with DOE personnel on such matters as Energy Emergency Management Information Systems' implementation.

The grantees in our sample made 46 trips to Washington, D.C., during fiscal year 1980 at a cost of \$27,609. Of these trips, 13 costing \$6,682 were made to meet with DOE personnel. The remaining trips were made to attend conferences and meetings with other Federal agencies and to conduct grant-related research.

Enclosures I and II contain additional information on the number, cost, purpose, and location of all the trips in our sample.

APPLICABLE TRAVEL POLICIES AND PRACTICES

DOE grantee travel is covered by the requirements outlined in several documents. Among these are Office of Management and Budget (OMB) circulars, Federal management circulars, and various sections of the U.S. Code of Federal

Regulations. Basically, these documents permit the reimbursement of travel costs with grant funds on an actual or per diem basis, or a combination of the two, so long as the costs are not unreasonable or do not exceed what the grantee would normally pay for similar travel. Travel regulations for Federal employees do not apply to grantees.

The travel budgets for the grants we examined varied considerably in detail. Budget presentations ranged from a lump-sum amount for travel to a nonspecific breakout of trips (e.g., 10 trips at \$200), while others indicated location, number of trips, purpose, and cost. According to OMB Circular A-21, travel expenditures for grants to educational institutions will not be allowed if they exceed the budgeted amount by more than 25 percent or \$500, whichever is greater, except with advance approval from the sponsoring agency. OMB circulars covering other grantees contain no such stipulation.

Grantees are usually advised that charges for domestic travel are appropriate charges to the grant, and prior authorization for specific trips is not required. Most grants require that any foreign travel be essential to the grant effort and must have prior approval of the DOE Grants Officer.

Eight grantees had written travel policies, and although a written policy was not in existence for the other two, they adhered to certain travel practices. Allowable travel costs, such as lodging, subsistence, and mileage, were determined by using individual company financial management guidelines, university travel policies, or State travel regulations. Since Federal guidelines did not specify what is an acceptable cost, grantees made the determination. As an example, two grantees had a daily per diem rate up to \$52, one grantee allowed actual costs up to a maximum of \$50 a day, five grantees allowed actual lodging costs plus a daily meal limit ranging from \$13.35 to \$26, and two grantees permitted all actual or reasonable costs.

TRAVEL COST REPORTING

DOE specifies any travel cost reporting requirements in each grant. The frequency for reporting travel costs to DOE varied, depending on the recipient and the type of grant. The most frequent reporting period was quarterly, then yearly, followed by monthly. Of the 45 grants reviewed, 25 reported travel as a separate expenditure, 19 included travel costs with overall disbursements, or administrative expenses; and one grantee had not submitted an expense report at the time of our review.

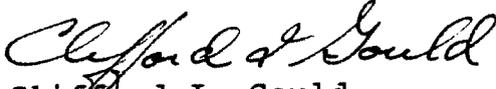
AUDITS

The 10 grantees routinely reviewed internal travel vouchers during the payment-processing operation. They examined the vouchers for mathematical correctness, reasonableness, documentation, and conformance with grantee travel policies. Five grantees were also independently audited by certified public accounting firms, four by the Defense Contract Audit Agency, and one by a State auditor's office. DOE usually reviews and audits travel expenditures during the grant closeout. Adjustments and disallowances may be made at that time.

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As arranged with your office, unless you publicly announce the contents of this letter earlier, we will not distribute this report until 7 days after its issue date. At that time, we will send copies to interested persons and make copies available to others upon request.

Sincerely yours,


Clifford I. Gould
Director

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TRAVEL BY 10 DOE GRANTEES FOR FY 1980

<u>Grantee</u>	<u>Number of active grants</u>	<u>Travel instances</u>	<u>Total grant expenditures</u>	<u>Total travel cost</u>	<u>Total travel cost as a percent of total expenditures</u>	<u>Local trips (note a)</u>		<u>Metropolitan Washington trips</u>		<u>Other locations</u>	
						<u>Number</u>	<u>Cost</u>	<u>Number</u>	<u>Cost</u>	<u>Number</u>	<u>Cost</u>
Government agencies:											
Missouri Department of Natural Resources	5	471	\$11,733,567	\$ 33,806	0.29	427	\$17,381	9	\$ 3,998	35	\$12,426
New Mexico Department of Energy and Minerals	<u>10</u>	<u>406</u>	<u>1,214,759</u>	<u>46,512</u>	3.8	<u>343</u>	<u>b/22,323</u>	<u>10</u>	<u>5,581</u>	<u>53</u>	<u>18,609</u>
Total	<u>15</u>	<u>877</u>	<u>12,948,326</u>	<u>80,318</u>	0.62	<u>770</u>	<u>39,704</u>	<u>19</u>	<u>9,579</u>	<u>88</u>	<u>31,035</u>
Quasi-governmental:											
Bi-State Development Agency (note c)	<u>1</u>	<u>9</u>	<u>72,399</u>	<u>2,922</u>	4.0	<u>4</u>	<u>788</u>	0	<u>0</u>	<u>5</u>	<u>2,134</u>
Businesses:											
Apex Oil Company	1	1	22,932	331	1.4	0	0	0	0	1	331
Walden Research Division of ABCOR	1	3	65,132	3,463	5.3	0	0	0	0	3	463
Xenon Corporation	1	2	99,990	411	0.41	0	0	0	0	2	411
Stone-Webster Engineering	<u>1</u>	<u>31</u>	<u>330,184</u>	<u>10,982</u>	3.3	<u>5</u>	<u>93</u>	<u>1</u>	<u>412</u>	<u>25</u>	<u>10,477</u>
Total	<u>4</u>	<u>37</u>	<u>518,238</u>	<u>15,187</u>	2.9	<u>5</u>	<u>93</u>	<u>1</u>	<u>412</u>	<u>31</u>	<u>14,682</u>
Educational Institutions:											
Washington University	8	52	635,685	19,568	3.1	0	0	8	3,515	44	16,053
University of New Mexico	16	180	1,456,952	44,957	3.1	110	b/ 7,863	16	13,168	54	23,926
Mississippi County Community College	<u>1</u>	<u>39</u>	<u>1,486,590</u>	<u>8,022</u>	0.54	<u>15</u>	<u>506</u>	<u>2</u>	<u>935</u>	<u>22</u>	<u>6,581</u>
Total	<u>25</u>	<u>271</u>	<u>3,579,227</u>	<u>72,547</u>	2.0	<u>125</u>	<u>8,369</u>	<u>26</u>	<u>17,618</u>	<u>120</u>	<u>46,560</u>
Total	<u>45</u>	<u>1,194</u>	<u>\$17,118,190</u>	<u>\$170,974</u>	1.0	<u>904</u>	<u>\$48,954</u>	<u>46</u>	<u>\$27,609</u>	<u>244</u>	<u>\$94,411</u>

a/These were primarily intra-State trips of 1 or 2 days' duration taken by State agency officials.

b/These figures include miscellaneous charges, such as State aircraft and car rental, gasoline, and maintenance charges that were related to the grants but were not attributable to specific trips.

c/Bi-State Development Agency, as the grantee, did not have any travel during fiscal year 1980; therefore, we examined subgrantee travel in this one instance.

CATEGORIZATION OF FY 1980 TRIPS BY 10 DOE
GRANTEES AS TO REASON FOR TRIP

<u>Grantee</u>	<u>Trips to conventions/symposiums (note a)</u>			<u>Trips to conferences (note b)</u>			<u>Trips for other purposes (note c)</u>		
	<u>Number</u>	<u>Cost</u>	<u>Percentage of total travel expenditures</u>	<u>Number</u>	<u>Cost</u>	<u>Percentage of total travel expenditures</u>	<u>Number</u>	<u>Cost</u>	<u>Percentage of total travel expenditures</u>
<u>Government agencies:</u>									
Missouri Department of Natural Resources	2	\$1,053	3.1	54	\$15,742	46.6	415	\$ 17,011	50.3
New Mexico Department of Energy and Minerals	<u>3</u>	<u>1,612</u>	3.5	<u>75</u>	<u>24,255</u>	52.1	<u>328</u>	<u>20,645</u>	44.4
Total	<u>5</u>	<u>2,665</u>	3.3	<u>129</u>	<u>39,997</u>	49.8	<u>743</u>	<u>37,656</u>	46.9
<u>Quasi-governmental:</u>									
Bi-State Development Agency	0	0	0	0	0	0	<u>9</u>	<u>2,922</u>	100.0
<u>Businesses:</u>									
Apex Oil Company	0	0	0	0	0	0	1	331	100.0
Walden Research Division of ABCOR	0	0	0	0	0	0	3	3,463	100.0
Xenon Corporation	0	0	0	0	0	0	2	411	100.0
Stone-Webster Engineering	<u>1</u>	<u>412</u>	3.8	<u>0</u>	<u>0</u>	0	<u>30</u>	<u>10,570</u>	96.2
Total	<u>1</u>	<u>412</u>	2.7	<u>0</u>	<u>0</u>	0	<u>36</u>	<u>14,775</u>	97.3
<u>Educational Institutions:</u>									
Washington University	2	371	1.9	23	8,817	45.1	27	10,379	53.0
University of New Mexico	1	295	.7	31	15,344	34.1	148	29,318	65.2
Mississippi County Community College	1	586	7.3	1	407	5.1	<u>37</u>	<u>7,030</u>	87.6
Total	<u>4</u>	<u>1,252</u>	1.7	<u>55</u>	<u>24,568</u>	33.9	<u>212</u>	<u>46,727</u>	64.4
Total	<u>10</u>	<u>\$4,329</u>	2.5	<u>184</u>	<u>\$64,565</u>	37.8	<u>1,000</u>	<u>\$102,080</u>	59.7

a/This was travel to a convention, symposium, congress or caucus for the purpose of increasing the body of knowledge in a particular subject area for all interested parties.

b/Trips to conferences were generally for consultations, discussions and the exchange of opinions directed at accomplishing grant objectives.

c/This travel was generally associated with the physical accomplishment of grant activities and included (1) visits to gather and analyze data, (2) trips to laboratories to conduct experiments, and (3) meetings to review grant progress and conduct training and provide technical assistance on energy matters.